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by the introduction of the psychological effect of vanity, a good instance of the trend of thought throughout.

Looking at the text-book as a whole, it seems to suffer largely from its omissions of starting-points commonly accepted as being vital. It is difficult to get the social point of view of the whole economic field, and as a groundwork of dynamic economic theory, the volume would have to be correlated with reference reading of large scope. On the contrary, it has exceptional merit in its treatment of income, prices and theories of money, and as a whole represents a scholarly attempt to break down the common tradition of distrust against economic study.

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FISHER, IRVING, *et al.* *How to Invest When Prices are Rising.* Pp. 144. Price, \$1.00. Scranton: G. Lynn Summer & Co., 1912.

The sub-title of this volume is "A Scientific Method of Providing for the Increasing Cost of Living." It is a collection of papers by seven financial experts who are exponents of the quantity theory of money and believe that the investor of to-day should avoid long-term bonds and instead purchase stocks. The present rise in prices is due primarily to the increased world output of gold and will probably continue for some years longer. Bonds yield a fixed annual return and as prices rise the bondholder receives through interest payments and at maturity in the return of his principal a greatly reduced purchasing power. Unless the bonds mature in a short time and reinvestment on better terms is possible, bonds should be avoided.

The stockholder, however, is a part owner of the corporation and as such shares in its earnings which tend to increase each year as prices rise. If the stocks are carefully chosen they are thus a better security as prices rise, while bonds are better when prices are falling. But the purchase of stocks introduces an element of risk, and the investor should insist on bonds with a stock bonus, the bonds guarding him against the loss of his nominal principal and interest, while the stock makes it possible for him to share in the company's earnings and so protects him as prices rise. The same result may be secured by the purchase of bonds convertible into stock.

This argument is clearly presented and is supported by carefully gathered statistics on all points of importance. Only one or two matters call for special comment. In this, as in most of the current discussions of the relation of increased gold production to rising prices, too little space is given to the part played by the development of credit. Also more consideration should be granted to the possibility of an increase in production from the application of scientific methods in business and in agriculture. Perhaps any development in this direction will be more than offset by other influences, but there has not yet been a sufficiently careful analysis of it. It is entirely probable that development of these two points would not alter the conclusion that prices will continue to rise and that the increased output of gold is one of the leading causes. Nor would it change the main contention of the book that in a period of rising prices the bondholder suffers a depreciation in his investment.

It would certainly be difficult to refute the conclusions presented. Yet one can not but wonder as to the effect of the argument on the average investor who seldom investigates the company whose securities he buys and one of whose chief safeguards is his prejudice in favor of bonds and against stocks. Only too many speculative enterprises are now offering their bonds with a stock bonus and as yet most of the gilt-edged bonds may be marketed without the addition of this inducement. On the whole, however, the book is a valuable and welcome addition to the list of works that treat in a careful manner the principles to be followed in practical business.

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*Flood Commission, Pittsburgh, Report of the, 1911.* Pp. 705, 117 maps and diagrams. Price, \$10.00. Pittsburgh, Pa.: Flood Commission, 1912.

The City of Pittsburgh, visited during the past decade by twenty-two destructive floods involving a direct loss of over \$12,000,000, has now seriously directed its attention to the subject of flood control and prevention. The report of its Flood Commission, recently made public, is the most complete and comprehensive discussion of the subject of river control that has been made in the United States, if not, indeed, in any country. The large volume containing the report represents an expenditure by the Commission of \$124,000 in investigations and surveys. Not only has the Pittsburgh district been thoroughly surveyed and mapped, but members of the Commission and their engineers have visited many European countries to examine foreign methods of river regulation and control.

The report itself occupies about one-half of the volume. Its twelve chapters deal with such topics as the Allegheny and Monongahela Drainage Basins; Floods and Flood Damage at Pittsburgh and along the rivers; Methods of Flood Relief; Flood Protection; Storage Reservoirs; Relation of Storage Reservoirs to Navigation, Sanitation, Water Supply, and Water Power. The Commission recommends as a means of preventing further flood damage at Pittsburgh a combination of Flood Protection and Flood Prevention—namely, the construction of seventeen large storage reservoirs at the headwaters of the rivers, and the building of low walls along the low lying portions of the water front at Pittsburgh. The former will care for all but the very highest floods, while the latter will be much cheaper than the building of additional storage reservoirs that would completely hold the flood waters, and will at the same time protect the city from the highest floods and improve the appearance and usefulness of the waterfront. The total net cost is estimated at about \$20,000,000.

The various appendices, which take up the second half of the volume, discuss Forest Conditions in the Allegheny and Monongahela Basins, Stream Flow, Methods of Flood Relief in Foreign Countries and give a complete bibliography of flood literature. The volume is profusely illustrated with photographs, maps and diagrams. The report is the most valuable source of information available for problems connected with the conservation of streams.

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